

Articles of Association of Sociedade de Transportes Colectivos do Porto, E.I.M., S.A.

CHAPTER I

Name, Term, Registered Office and Purpose

Article 1

Name and Term

1. The Company is named “Sociedade de Transportes Colectivos do Porto, E.I.M., S.A.” and, abbreviated, “STCP, E.I.M., S.A.”.
2. The Company is a legal entity governed by private law, in the form of a public limited company, with exclusively public capital and an intermunicipal nature, under the terms of Article 19 of the legal regime for local business activity and local shareholdings approved by Law No. 50/2012 of 31 August (“RJAE”).
3. The Company is governed by the RJAE, Decree-Law No. 151/2019, of 11 October, as amended by Decree-Law No. 175/2019, of 27 December, by these articles of association and, subsidiarily, by the State Business Sector Regime, without prejudice to the mandatory standards provided for therein, and by the Commercial Companies Code, in the part applicable to public limited companies.
4. The Company shall have an unlimited term.

Article 2

Registered Office

1. The Company’s registered office is located in Porto, at Avenida Fernão Magalhães, 1862, 13.º piso, in the parish of Campanhã, and may be changed within the municipality by simple resolution of the Board of Directors.
2. By resolution of the Board of Directors, the Company may establish and close agencies, branches or any other form of representation within the national territory.
3. The Company has a website on which it keeps the information that is legally required up to date.

Article 3

Prohibition of Transfer or Sub-Concession

The public road passenger transport activity in the Greater Porto urban area to be carried out by STCP may not be transferred or sub-conceded to entities that are not public law entities or exclusively publicly owned.

Article 4

Purpose

1. The Company’s corporate purpose is to provide services of general interest for the operation of public passenger transport in the Greater Porto urban area, under the terms of Article 45(f) of the RJAE.

2. In addition, the Company may operate surface public passenger transport within and outside the geographical area referred to in the previous paragraph, as well as other activities that are complementary or subsidiary to its main purpose.
3. In order to carry out the purpose referred to in the previous paragraphs, the Company may participate in the incorporation of and acquire shares in companies of any nature and purpose, in associations, complementary groups of companies, groups of companies of economic interest, or other forms of collaboration with third parties.
4. The Company may supervise, under the terms of Article 5 of Decree-Law No. 44/2005 of 23 February, compliance with the provisions of the Highway Code and the standards contained in complementary legislation, by delegation of powers from the municipalities participating in the Company's share capital.

Article 5

Delegation of Powers

1. Under the terms and for the purposes set out in Article 27(1) of the RJAEL, the municipalities participating in the share capital may delegate to the Company the following powers of authority necessary for the pursuit of its corporate purpose:
 - a) Use municipal public roads for the exercise of its functions;
 - b) Request the establishment of easements and expropriation for public use;
 - c) Prepare and conduct administrative and material proceedings aimed at integrating infrastructure into its assets, without compensation for the municipalities, without prejudice to the respective public ownership;
 - d) Manage the public or private assets of the participating municipalities that are related to the exercise of its activity;
 - e) Supervise compliance with and enforcement of legal rules, namely those provided for in Article 5(1)(d) and (3)(c) of Decree-Law No. 44/2005 of 23 February, in its current wording, its regulations and municipal regulations relating to its corporate purpose, and may, through staff accredited by it, draw up reports and notifications to be sent to the participating municipalities;
 - f) Investigation and decision-making in road traffic offence proceedings for minor offences relating to prohibited, improper or abusive parking on roads and other public spaces, provided that they are under municipal jurisdiction, including the application of fines and costs in accordance with the provisions of Decree-Law No. 107/2018, of 29 November, amended by Decree-Law No. 76/2022, of 31 October, its regulations or municipal regulations applicable within the scope of the activities that constitute its corporate purpose;
 - g) Procedure for collecting fees, tariffs and prices, within the scope of pursuing its purpose;
 - h) Prepare and submit applications for national and community funding or funds that are available for the activities it carries out, as well as enter into programme contracts with other public entities;

- i) All other administrative powers of public authority provided for by law, the exercise of which is not the exclusive competence of the municipalities participating in the share capital, necessary for the pursuit of its corporate purpose.
2. The Board of Directors may appoint company staff to exercise the powers of authority granted under the terms of the previous paragraph, to whom the status provided for in the following article shall apply.
3. The works and services promoted by the company, carried out using its own resources or by third parties contracted by it, are exempt from municipal licensing under the terms and conditions provided for in Article 7 of Decree-Law No. 555/99 of 10 December, in its current wording ("Legal Regime for Urbanisation and Construction").
4. The Company has the right to use the municipal public domain of the municipalities participating in the share capital to fulfil its obligations, namely by allocating it for the purpose of implementing and operating infrastructure related to the exercise of its activity, subject to prior authorisation granted by the municipal assemblies of the municipalities participating in the company's share capital.
5. The delegation of powers referred to in this article shall be carried out by means of a resolution of the legally competent municipal bodies, which shall determine the scope of the delegated powers and, where applicable, the areas in which they are exercised or the assets to which they refer.

Article 6

Authority Duties

The Company's staff to whom authority duties are assigned, in accordance with the provisions of the previous article, shall be treated, in the exercise of their duties, as administrative authority agents, under the terms of the legal and regulatory standards applicable to parking.

CHAPTER II

Share Capital

Article 7

Share Capital

1. The share capital, fully subscribed and paid up, is 90,000,000.00 Euros.
2. The share capital is represented by 18,000,000 shares, in book-entry form only, with a nominal value of 5.00 Euros each.
3. Shares shall be issued in book-entry and registered form, unless the General Meeting decides that shares shall be issued in certificated form, which shall, however, be convertible into book-entry shares at the request and expense of the interested parties, after a favourable decision by the General Meeting and in accordance with the law.

CHAPTER III
Corporate Bodies

Section I
General Provision

Article 8
Corporate Bodies

1. The corporate bodies of the Company are:
 - a) The General Meeting;
 - b) The Board of Directors; and
 - c) The Sole Auditor.
2. The term of office of the members of the governing bodies shall coincide with that of the members of the local authorities of the municipalities participating in the Company's share capital, without prejudice to the provisions of the following paragraph.
3. The members of the governing bodies shall be deemed to have taken office as soon as they have been appointed or elected and shall remain in office until their successors take office; members of the governing bodies who cease to hold office before the end of their term of office, due to resignation, dismissal, removal, death or any other cause that makes it impossible for them to continue in office, shall be replaced by a substitute member or by members appointed as replacements for the remainder of the current term of office.

SECTION II
General Meeting

Article 9
Participation in the General Meeting

1. The General Meeting is composed of shareholders with voting rights.
2. 100 shares correspond to one vote, and shareholders holding fewer shares may group together in order to, jointly and represented by one of the group members, meet the conditions necessary to exercise their voting rights.
3. In order to confer voting rights, shares must be registered in the name of their respective holders in the Company's registry at least 15 days before the date set for the General Meeting.
4. Shareholders who are legal persons shall indicate, by letter addressed to the chair of the meeting, who will represent them at the General Meeting.
5. No shareholder may be represented by more than one person at the same session of the General Meeting.

6. Postal voting is not permitted.

Article 10

Meetings and Resolutions of the General Meeting

1. The General Meeting shall meet extraordinarily whenever the Board of Directors or the Sole Auditor deem it necessary, or when its convening is requested from the chair of the respective board by shareholders representing at least 5% of the share capital, and ordinarily once a year.
2. Without prejudice to the terms provided for by law, the General Meeting shall be convened and chaired by the chair of the respective board, which also includes a vice-chair and a secretary, with any absences being filled in accordance with commercial law.
3. Resolutions shall be passed by a majority of votes of the shareholders present or represented at the General Meeting, unless the law or the articles of association require a higher number.
4. The General Meeting for the election of the members of the governing bodies may not deliberate without the presence or representation of shareholders whose shares represent at least 51% of the share capital.

Article 11

Powers of the General Meeting

1. The General Meeting shall deliberate on all matters for which the law or these articles of association confer powers upon it.
2. The General Meeting shall, in particular, have the following powers:
 - a) Deliberate on the management report and accounts for the financial year, as well as on the proposed allocation of profits, and to carry out a general assessment of the management and supervision of the Company;
 - b) Elect the members of the General Meeting and the members of the Board of Directors;
 - c) Deliberate on any amendments to the articles of association and capital increases;
 - d) Deliberate on the remuneration of the members of the governing bodies, for which purpose it may appoint a remuneration committee;
 - e) Deliberate on projects for the expansion of the lines operated by the company;
 - f) Authorise the acquisition and disposal of real estate, as well as investments, when, in each case, the value exceeds 10% of the Company's share capital;
 - g) Authorise the acquisition and disposal of shareholdings, in the latter case only when the value exceeds 10% of the share capital of STCP, E.I.M., S.A.;
 - h) Decide on the issue of bonds.

SECTION III

Board of Directors

Article 12

Composition of the Board of Directors

The Board of Directors is composed of a chairperson and two members.

Article 13

Meetings and Decisions of the Board of Directors

1. The Board of Directors shall set the dates or frequency of its ordinary meetings and shall meet extraordinarily whenever convened by its chairperson, on his/her own initiative or at the request of two directors or the Sole Auditor.
2. The Board of Directors may not deliberate without the presence of a majority of its members.
3. The deliberations of the Board of Directors shall always be recorded in minutes, which shall record the votes cast, and shall be taken by a majority of the votes cast, with the chairperson or his/her substitute having the casting vote.
4. The absence of a member of the Board of Directors from more than two meetings of this body per year, whether consecutive or interpolated, without justification accepted by the Board of Directors, shall lead to the definitive absence of the director, who shall be replaced in accordance with the Commercial Companies Code.

Article 14

Powers of the Board of Directors

1. The Board of Directors shall have the following powers:
 - a) Manage the company's business and perform all acts relating to the company's purpose that do not fall within the powers of other bodies of the Company;
 - b) Prepare the annual report;
 - c) Acquire, dispose of or encumber rights or movable and immovable property and shareholdings, without prejudice to the provisions of Article 8(2)(f) and (g);
 - d) Represent the Company in and out of court, actively and passively, with the power to withdraw, settle and confess in any lawsuits, as well as to enter into arbitration agreements;
 - e) Establish the technical and administrative organisation of the Company and the standards for its internal functioning;
 - f) Appoint agents with the powers deemed appropriate;
 - g) Exercise any other powers assigned to it by law or by the General Meeting.
2. The Board of Directors may, within the legal limits, delegate some of its powers to one or more of its members.

Article 15

Powers of the Chairperson of the Board of Directors

1. The Chairperson of the Board of Directors is responsible for directing the activities of the Board and, in particular:
 - a) Convening and chairing meetings of the Board of Directors;
 - b) Ensuring the correct implementation of the Board's decisions.
2. In the event of absence or impediment, the Chairperson shall be replaced by a member of the Board of Directors designated by him/her for that purpose.

Article 16

Representation of the Company

1. The Company shall be bound:
 - a) By the signature of two members of the Board of Directors, one of whom shall be the Chairperson;
 - b) By the signature of a director, when there is express delegation from the Board to perform a specific act;
 - c) By the signature of an appointed representative, within the scope of the corresponding mandate.
2. In matters of mere routine, the signature of one director shall suffice.
3. The Board of Directors may decide, in accordance with the law, that certain Company documents shall be signed by mechanical means or by seal, namely securities representing the share capital.

Article 17

Management Contracts

Management contracts are entered into with the members of the board of directors, under the terms provided for in the Public Manager Statute, which shall reflect the strategic guidelines defined by the municipalities participating in the company's share capital.

SECTION IV

Sole Auditor

Article 18

Sole Auditor

1. The supervision of the Company's business and acts shall be the responsibility of a Sole Auditor, who shall be a Statutory Auditor or a Statutory Auditors' Firm.
2. The Sole Auditor shall always have a substitute who shall be a statutory auditor or a statutory auditors' firm.
3. The Sole Auditor and his/her substitute shall be appointed by the town meetings of the municipalities participating in the company's share capital, upon proposal by the respective town councils, which shall agree on a single proposal for this purpose.

4. Without prejudice to the powers conferred by commercial law, the Sole Auditor shall be responsible, in particular, for:
 - a) Issuing a prior opinion on the financing and assumption of any financial obligations;
 - b) Issuing a preliminary opinion on the need for a multi-annual assessment of the Company's operating balance and, where appropriate, to examine the provisional plan of the updated net cash flow statements from the perspective of the multi-annual profit and loss statement;
 - c) Issuing a preliminary opinion on the conclusion of programme contracts, with the corresponding operating subsidies;
 - d) Supervising the actions of the Board of Directors;
 - e) Verifying the regularity of the books, accounting records and supporting documents;
 - f) Reporting to the competent bodies and entities any irregularities, as well as any facts that he/she considers to be indicative of serious difficulties in the pursuit of the company's purpose;
 - g) Verifying the Company's assets or those received by it as collateral, deposit or other security;
 - h) Sending information on the Company's economic and financial situation to the participating municipalities every six months;
 - i) Giving his/her opinion on any matter of interest to the Company, at the request of the Board of Directors;
 - j) Issuing an opinion on the provisional management instruments, as well as on the Board of Directors' report and accounts for the financial year;
 - k) Issuing the legal certification of the accounts.
5. The opinions provided for in subparagraphs a) to c) of the previous paragraph shall be communicated to the Inspectorate-General of Finance within 15 days.

CHAPTER IV

Assets, Finances and Forms of Management

Article 19

Management Principles

1. The Company shall be managed in such a way as to ensure its economic viability and financial balance, in accordance with the provisions of these articles of association and the general rules and principles of good management, with a view to satisfying the general interests of the participating municipalities.
2. The management of the Company shall take into account, in particular, the following guiding principles:
 - a) Satisfaction of municipal customers and users of the services provided, ensuring high standards of management quality, both in terms of the means and processes used and in terms of the final result;
 - b) Implementation of internal control processes relating to the quality of the service provided to municipalities;
 - c) Conclusion of programme contracts with municipalities, implementing the provisions of Articles 47 and 50 of Law No. 50/2012 of 31 August;

- d) Implementation of an organisational management policy geared towards the continuous improvement of the organisation, by setting goals for the different structures of the company and individual goals;
- e) Rationalisation of costs and charges for human and material resources in the service of its functions, encouraging the organisational specialisation of the company and its human resources;
- f) Commitment of the entire organisation to professional, technical, behavioural and ethical development and growth, involving employees and suppliers in the achievement of the company's and municipalities' goals.

Article 20

Management Tools

1. The management of the Company is governed by the following provisional management tools:
 - a) Annual and multi-annual activity plans;
 - b) Annual and multi-annual investment plans;
 - c) Annual budget;
 - d) Provisional balance sheet.
2. The management of the Company is assessed by the following accountability instruments:
 - a. Balance sheet;
 - b. Profit and loss statement;
 - c. Annex to the balance sheet and profit and loss statement;
 - d. Cash flow statement;
 - e. Report on the annual execution of the multi-year investment plan;
 - f. Report of the Board of Directors and proposal for the application of profit and loss;
 - g. Opinion of the Sole Auditor.
3. The Board of Directors' Report shall provide a clear understanding of the economic and financial situation for the financial year, analyse the evolution of management in the company's sectors of activity, particularly with regard to investments, costs and market conditions, and assess its development.
4. The opinion of the Sole Auditor shall contain an assessment of management, as well as the Report of the Board of Directors and an assessment of the accuracy of the accounts and compliance with the law and the articles of association.

Article 21

Duties of Information and Transparency

1. Without prejudice to the provisions of commercial law, the Company shall prepare and make available, in a timely and complete manner, all the respective management instruments provided for in these articles of association, as well as any other information and documents requested by the municipalities participating in the share capital or any other public entities with supervisory or auditing powers.

2. The Company shall make available to the Directorate-General for Local Authorities the information provided for in Article 42(3) of the RJAEL, under the terms and conditions set out therein.
3. The Company shall continuously update the following information on its website:
 - a) Articles of association and statutes;
 - b) Share capital structure;
 - c) Identity of the members of the governing bodies and their respective CVs;
 - d) Amounts earned by the remunerated members of the governing bodies;
 - e) Number of employees, broken down by type of employment relationship;
 - f) Annual and multi-annual activity plans;
 - g) Annual budget;
 - h) Financial statements, including at least the annual report and accounts and the opinion of the Sole Auditor;
 - i) Corruption and Management Risk Prevention Plan;
 - j) Other documents that may be necessary.

Article 22

Balance of Accounts and Loans

1. The Company is governed by the principles of financial transparency, and its accounting is organised in such a way as to allow the identification of financial flows between it and the municipalities participating in the share capital.
2. The Company must present balanced annual profit and loss.
3. The Company may take out short-, medium- and long-term loans, provided that they are not in favour of the municipalities participating in the share capital, and issue bonds.
4. The operation referred to in the previous paragraph that may affect the debt limits of the municipalities participating in the share capital requires prior authorisation from them.

Article 23

Accounting

1. The Company shall mandatorily apply the general accounting regime provided for in the applicable accounting system and shall respond to the needs of business management and allow for permanent budgetary control.
2. The Company shall have an analytical accounting system to provide information on annual operating income and expenses.
3. The Company shall adopt appropriate internal control procedures to ensure the reliability of the accounts and other financial information.

Article 24

Assets

1. The Company's assets consist of the property and rights received or acquired for or in the exercise of its activity.
2. The Company may dispose of the assets that form part of its assets in accordance with the law and its articles of association.
3. The Company is prohibited from taking out loans on behalf of participating entities and from acting as guarantor for loans or other debts of such entities.

Article 25

Income

The Company's income consists of:

- a) Income from its activity;
- b) Income from its own assets;
- c) Compensation, contributions, grants, subsidies and compensatory indemnities allocated to it;
- d) The proceeds from the sale or encumbrance of its own assets;
- e) Donations, inheritances and legacies;
- f) The proceeds from loans, as well as from the issue of bonds or other debt securities;
- g) Any other income received by law or contract.

Article 26

Application of Profit and Loss

The profit of each financial year, duly approved, shall be applied in the following order:

- a) A minimum of 10% for the constitution or replenishment of the legal reserve, until the legally required amount is reached;
- b) Other applications imposed by law;
- c) The remainder shall be distributed to shareholders as dividends, at a percentage to be determined, which, unless approved by three-quarters of the votes of the shareholders present or represented, may not be less than 50%;
- d) The remainder, as decided by the General Meeting.

Article 27

Staff Statute

1. The status of the Company's staff is that of an employment contract.
2. The legal status of the Company's employees is defined:
 - a) By the general laws governing individual employment contracts;
 - b) By the collective labour regulation instruments to which the Company is bound;

- c) By the company agreements in force.
- 3. Employees with a legal relationship of public employment may perform duties in the Company by agreement of public interest, under the terms provided for in Article 29 of the RJAEL and Law No. 12-A/2008 of 27 February.

Chapter V
Final Provision

Article 28
Dissolution of the Company

- 1. The Company shall be dissolved in the cases and under the terms provided for by law.
- 2. The liquidation of the Company shall be governed by the provisions of the law and by the resolutions of the General Meeting.

Porto, 20 February 2024

The Board of Directors
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